

Payment Integrity Scorecard

Program or Activity
Universal Service Funds - Lifeline

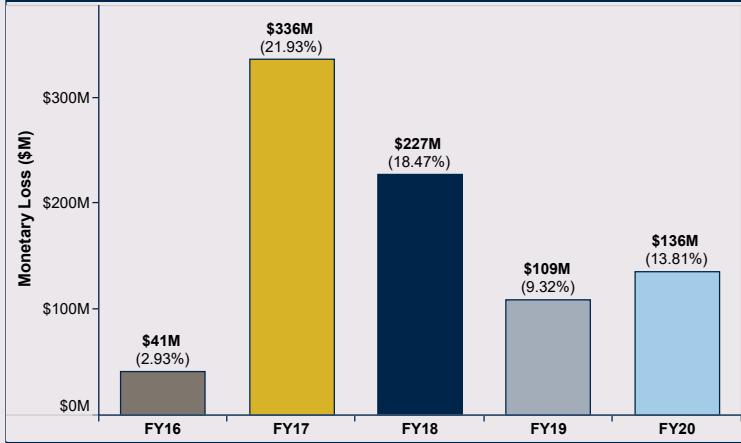
Reporting Period
Q4 2021

Change from Previous FY (\$M) **\$27M**

FCC
Universal Service Funds - Lifeline

Brief Program Description:
Lifeline is a federal program that lowers the monthly cost of phone and internet. Eligible customers will get at least \$5.25 toward their bill; residents of federally-recognized Tribal lands may receive an additional \$25 per month.

Monetary Loss (\$M)
(Overpayment as Percentage of Total Outlays)



| Key Milestones | Status | ECD |
|-------------------------------------------------------------------------|-----------|--------|
| 1 Develop mitigation strategies to get the payment right the first time | Completed | Nov-20 |
| 2 Evaluate the ROI of the mitigation strategy | Completed | Nov-20 |
| 3 Determine which strategies have the best ROI to prevent cash loss | Completed | Nov-20 |
| 4 Implement new mitigation strategies to prevent cash loss | Completed | May-21 |
| 5 Analyze results of implementing new strategies | On-Track | Dec-22 |
| 6 Achieved compliance with PIIA | On-Track | Oct-22 |
| 7 Identified any data needs for mitigation | Completed | Mar-21 |

| Goals towards Reducing Monetary Loss | Status | ECD |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----------|--------|
| 1 Q4 2021 Analyze ETCs' non-usage de-enrollments and claims after the non-usage waiver was lifted in May of 2021. | On-Track | Jan-22 |
| 2 Q4 2021 Conduct targeted programmatic reviews of ETCs' non-usage compliance, including reviews of policies & procedures and non-usage data. | On-Track | Sep-22 |

| Recovery Method | Brief Description of Plans to Recover Overpayments | Brief Description of Actions Taken to Recover Overpayments |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| 1 Recovery Activity | USAC is assessing the reason for the improper payment and will take corrective actions to prevent such improper payments from re-occurring. | Post-payment programmatic reviews of high risk ETCs |
| 2 Recovery Activity | USAC is assessing the reason for the improper payment and will take corrective actions to prevent such improper payments from re-occurring. | Post-payment audit reviews of high risk ETCs |
| 3 Recovery Activity | USAC is assessing the reason for the improper payment and will take corrective actions to prevent such improper payments from re-occurring. | Self-reported overpayments |

| Accomplishments in Reducing Monetary Loss | Date |
|---------------------------------------------------------------------------------------------------------------------------------------|--------|
| 1 Implemented a monthly process to check subscribers to see if they are deceased. | Jun-21 |
| 2 Locked out 19 additional agents from Lifeline systems for committing potentially fraudulent transactions, bringing the total to 35. | Jun-21 |
| 3 Supported continuation of COVID waivers. | Jun-21 |

| Amt(\$) | Root Cause of Monetary Loss | Root Cause Description | Mitigation Strategy | Brief Description of Mitigation Strategy and Anticipated Impact |
|---------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$136M | Other reason | Missing or Insufficient Eligibility Documentation - Carrier failed to provide retained documentation to confirm a subscriber's initial eligibility. | Missing or Insufficient Eligibility Documentation The launch of National Verifier all states. | Missing or Insufficient Eligibility Documentation - Full launch of all states in the National Verifier in 2020 virtually eliminates the issue. |
| | | Non-Usage - ETCs failing to de-enroll subscribers who did not use their Lifeline service for 45 consecutive days (30-day usage period plus 15-day cure period). | Non-Usage High claim alert in LCS; targeted Program Integrity reviews. | Non-Usage Reduced improper payments through raised awareness and targeted reviews. |
| | | Missing Certifications - Carrier omitted or failed to collect an enrollment certification. | Missing Certifications - Universal Forms and launch of National Verifier all states. | Missing Certifications Universal Forms' release in 2018 mitigated the issue. Full launch of all states in the National Verifier in 2020 resolved the issue. |

Monetary Loss - Monetary loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.